

SENATOR SCHMIT: Now if the people don't like the way the schools are run, let them go to a school board meeting. If they don't like the taxes that are levied locally, they can go there but there ought to be some way that the people across the State of Nebraska who earn the income, enjoy the benefits of education, contribute to the support of the schools and that is what this bill is suppose to do so let's try to work out a formula that will do it and do it as equitably and as reasonably as possible.

PRESIDENT: Senator Dworak.

SENATOR DWORAK: Mr. President, colleagues, third year in the Legislature, third year we have heard the same arguments, third year, virtually, the same bill. The year that I was elected we put almost the same concept before the people. Defeated two to one across the State of Nebraska. I cannot understand how people see this bill as a bill to reduce property taxes. This bill is a bill to put more money in our schools. That is what it is. Plain and simple, this is not a tax relief bill. Now if our schools need more money and that is the intent, fine, vote the bill. We argue the equalization, foundation portion of the formula. We argue it every year but if we really, really examine the intent behind state aid to education, there is only one true philosophy and that is equalization. So what is the foundation portion of it. It is a trade off. It is a political buy. That is what it is and so any time you even enter into an element of foundation you right away start taking away the true intent of the bill. Senator Lewis had this philosophy straight when he said a little earlier that he introduced a bill that would have a hundred percent or nearly a hundred percent equalization and he was intellectually honest by introducing that type of bill. But he said the bill did not have a chance because he had to trade off with foundation so right from the start you start from a faulty premise. Another reason why this bill can't work and will not work is because the inequality between counties. Counties that have done their job and reevaluated, they are getting penalized. Counties who haven't brought their values up to current levels get greater state aid. This is not fair. This bill cannot work until we solve the problem of equalization between counties. Now I would be the first to admit that in the State of Nebraska we have a vehicle to do this, the State Board of Equalization, and they haven't done it and they haven't done their job, but until they do, we cannot come in with a bill like LB 33. Now I cannot understand why schools are demanding an additional 20 million dollars a year and 20 million every year until they reach 40% of the funding. Now had the people of the State of Nebraska bought this concept when it first came across three years ago, and at that time it was 15 million dollars each year rather than 20 million dollars a year, if we would have bought it and funded it as the proponents of this bill asked us to do, instead of 55 million dollars out of the general fund this year, we would be spending 157 million dollars out of the general fund. A 157 million dollars out of the general fund, now this would have to be between a percent and two percent on the state sales tax and two or three percent on the state income tax, yes, I mean on the state income tax. And this is at a time, this is at a time when our public school elementary enrollment projected into the next several